

**BASELINE DATA FOR
STRATEGIC OBJECTIVE 2.3:
MORE EFFECTIVE AND
ACCOUNTABLE
GOVERNMENT**

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BASELINE DATA FOR STRATEGIC OBJECTIVE 2.3: MORE EFFECTIVE AND ACCOUNTABLE GOVERNMENT

INTRODUCTION

The USAID/Bulgaria Local Government Initiative (LGI) responds to Strategic Objective 2.3: “More Effective and Accountable Local Government.” As part of that effort USAID has established a *Performance Monitoring Plan* with specific indicators and targets which the LGI should meet. The starting point for this monitoring effort must be the field checking of the indicators and the collection of baseline data. The results of this RFS will be used to create baseline data to assist in the fine-tuning of targets and serve as a basis for developing a full monitoring and evaluation plan for tracking progress in the pilot cities. This follow-on work will be proposed in a subsequent RFS.

The products required by this RFS were:

- A data collection plan;
- A data set; and
- A data issues [comments] memorandum.¹

The data collection plan is attached as Annex A. Inasmuch as it is a “collection plan” and not an “analysis plan” it required a sequencing of tasks which is presented graphically in the annex. The following pages contain the data set with issues, problems and comments following each indicator, but some prior discussion should be given to several general issues which need to be addressed.

Unrealistic Targets. It was always recognized that the first round of data collection would be the basis for target revision and this document provides the basis for that effort. This, however, is not just a question of changing numbers in every case, but in some instances it also raises the question of the necessity or appropriateness of the indicator itself.

Another aspect of this question is how do we deal with the indicators that show substantial deviance from the targets. If we adjust the targets on an annual basis we are following a trend and not aiming at a target. On the other hand, if we don’t adjust the target after we see our estimates were incorrect, the exercise is unrealistic.

As noted in the RFS “the contractor was not requested or expected to analyze the data set as a whole regarding the status or condition of Bulgarian municipalities or the ten pilot cities. It is recognized that this is not an appropriate data set for such purposes.”

Missing Baseline Data for 1995. While baseline data was collected for all indicators, in many cases it was not available for 1995. It was possible for the interviewers to develop the data for 1996. While this will not be a problem in subsequent years it does raise the question of whether the base should be shifted to 1996.

Comparability of Pilot City and Non-Pilot City Data. In some cases the indicator set provides for two indicators, one each for these two groups of cities. In other cases it does not. It seems that if we are interested in a control group for comparative purposes then we should uniformly survey both groups for all city-based indicators.

Unbalanced Indicator Set vis à vis LGI Activities. The indicator set is unbalanced among the Local Government Initiative components. Thus, more attention needs to be paid to the training and association development components.



DATA SET AND COMMENTS MEMORANDA

STRATEGIC OBJECTIVE 2.3: MORE EFFECTIVE AND ACCOUNTABLE GOVERNMENT

Indicator 1) Proportion of Budget Over Which Municipalities Have Discretionary Authority

Definition

Average percentage of municipal budget over which municipalities exercise control among 10 target municipalities.

Baseline Data (1995)

Revenues - 15.33 percent; Expenditures - 77.44 percent (45.71 percent)
(see comment 2)

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
0	0	0	15	30

Comments

1. The indicator must be divided into revenues and expenditures, which should be tracked separately.
2. For the expenditure index salaries are included and defined as follows. By an Act of the Council of Ministers the basic parameters of salaries for all categories of municipal employees are specified (differentiated by municipal population groups). This component is entirely defined by the central executive authority. The second component - the number and structure of the employees who are paid from the municipal budget - is within the competence of the Municipal Council. If salaries are not included for defining the average percentage of expenditures controlled by municipalities because of the influence of the first component it is decreased from 77.44 to 45.71 percent.

Indicator 2) Own-Source Revenues as a Proportion of Total Budget**Definition**

Average percentage of the total municipal budget made up of municipality-generated resources, among the ten target municipalities.

Baseline Data (1995)

68.68 percent

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
0	0	0	5	10

Comments

As with Indicator 1, the targets are unrealistically low.

Indicator 3) Average Increase in Self-Generated Revenues Among Non-Target Municipalities**Definition**

Average percentage increase in own-source revenues among a sample of non-target municipalities.

Baseline Data

Index for 1995 = 150.30 (1994=100)

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
0	0	0	0	5

Comments

1. If this index is to be calculated for non-pilot cities it should also be calculated for pilot cities. Otherwise, it has little utility.



2. If we consider that the consumer prices index was 132.9 in 1995, this increase is marginal.

Indicator 4) Number of Target Municipalities

- a) making budgets available prior to finalization
- b) making annual reports or expenditure statements available to public

Definition

- a) Budgets must be released at least 10 days prior to approval
- b) Annual reports must be available not more than 4 months after the end of the year

Both documents must be reasonably easy to acquire.

Baseline Data (1996)

A - 8; B - 7

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
tbd	tbd	tbd	tbd	tbd

Comments

“Reasonably easy to acquire” is intended to mean that documents would be available through:

- Public meetings;
- Publication and discussion in the local press;
- Mailings to citizens and public institutions;
- Posting in public places; and
- Individual citizen access.

None of the 10 municipalities met all of these criteria, but the numbers noted (8 and 7) indicate cities which comply with at least one of the criteria.

The additional criteria should be built into the Indicator and two or more should be met per city to qualify.



Indicator 5) Percent of Non-Target Municipalities Making

- a) budgets available to the public prior to approval
- b) expenditure statements available to the public

Definition

Same as Indicator 4

Baseline Data (1996)

A - 5; B - 5

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
tbd	tbd	tbd	tbd	tbd

Comments

Same as 4)

Indicator 6) Privatization

- a) number of privatized municipal entities
- b) value of privatized municipal entitles
- c) revenue from privatized entities *[Additional indicator see comments below]*

Definition (see comments)

Includes enterprises or businesses and real estate owned by:

- 10 target municipalities
- 5 non-target municipalities

Baseline Data

- a) 10 target = 137 units (USD - rate BGL /USD =480 BGL, December 31, 1996)
 5 non-target = 143 units
- b) 10 target = \$1,352,296 (USD - rate BGL /USD =480 BGL, December 31, 1996)

5 non-target = \$1,150,129



- c) 10 target = \$952,585 USD
5 non-target = \$1,346,421 USD

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
tbd	tbd	tbd	tbd	tbd
tbd	tbd	tbd	tbd	tbd

Comments

1. Baseline Data was collected for the ten target municipalities in the LGI program and the five additional municipalities included in this survey. The original definition specified the 22 cities in the original USAID privatization program plus 13 additional cities. Resources were not available to undertake this task.
2. A third measure, c) , was included as an additional way of gauging progress.

IR 2.3.1: IMPROVED LEGAL AND REGULATORY FRAMEWORK SUPPORTS LOCAL SELF-GOVERNMENT

Indicator 1) Law on Municipal Finance Implemented

Definition

- a) Law is adopted (yes/no)
- b) The law meets minimal standards to enhance the right of municipalities to generate revenue and have discretion over their expenditures (yes/no)
- c) Law is implemented (additional regulations do not weaken the law; existing provisions are respected) (yes/no/partly)

Baseline Data

- a) No
- b) N/A
- c) N/A

Targets

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
a)	no	no	yes	n/a	n/a
b)	n/a	n/a	yes	yes	yes
c)	n/a	n/a	yes	yes	yes

Indicator 2) Reforms on Which Regional/National Municipal Associations Have Had a Positive Impact**Definition**

Number of reforms, drawn from the total list of reform being pursued by municipal associations with lobbying (see IR 2.3.1a), from which some positive change has come about.

Baseline Data

0

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
0	1	2	3	3

IR 2.3.1A: CAPACITY OF LOCAL GOVERNMENT TO LOBBY THE CENTRAL GOVERNMENT INCREASED***Indicator 1) Number of Legal/Regulatory Policy Positions Taken by Municipal Associations*****Definition**

Annual number of written policy positions delivered to the central government by municipal associations.

Baseline Data

19 (1996)



Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
3	6	6	8	8

Comments

For comparative purposes, this should be adjusted by the number of municipal associations which changed from four to six in 1996 - 97, although the two new associations were not polled.

The National Association should be tracked separately.

Indicator 2) Number of Policy Positions for Which There Has Been Lobbying

Definition

Denominator is the number of written positions counted in indicator 1 above. Signs of lobbying can include: arranging meetings with citizens or government officials to pursue the policy; arranging media coverage, enlisting the support of other associations, NGOs, or businesses, arranging petitions, obtaining donor support, giving testimony at legislative hearings, taking part in government commissions of inquiry, etc.

Baseline Data (1996)

17

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
3	5	5	7	8

Comments

None

IR 2.3.2: INCREASED CAPACITY OF LOCAL GOVERNMENT TO DELIVER MUNICIPAL SERVICES***Indicator 1) Processing Time for Land Transfer Permits*****Definition**

Average percent reduction in time in the ten pilot municipalities for obtaining the plat or property sketch map.

Baseline Data

Estimated baseline 12 weeks

1996 data -- 7.4 days (Time for obtaining a property sketch map)

Target

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
		50%	n/a	n/a

Comments

The baseline needs to be reconsidered.

The indicator is sound, but the definition should be broader than just the "map."

Indicator 2) Number of Target Municipalities Using Open, Competitive Bidding for Major Procurements**Definition**

Among the ten target municipalities, procurements are advertised, competed, and an independent review panel of three makes decisions. There must be at least two competitive procurements per year for a target municipality to be counted.

Baseline Data

9

Targets



<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
2	4	6	8	10

Comments

Municipalities appear to be doing this and either a more rigorous indicator should be developed or it should be dropped. A more rigorous indicator might be: percentage (monetary values) of procured items subject to an open competitive bidding process.

Indicator 3) Number of Municipalities with a More Accurate and Up-To-Date Civil Registry

Definition

The provisions of the law for civil registration are met in the ten target municipalities

Baseline Data

10 municipalities

2 municipalities (see comments)

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
1	3	5	8	10

Comments: If a stricter definition is applied, only two municipalities qualify.

Criteria: level of computerization (over 50 percent of work stations); automatization of information flow and of the communications in the municipality (yes); daily updating of the data (yes); computerization of the most common services for the public (yes); period for issuing the documents (immediately).

Indicator 4) Number of New Techniques Adopted by at Least 4 Cities Among

- a) target municipalities
- b) non-target municipalities

Definition

The denominator includes all approaches, techniques or models which USAID and the Urban Institute are trying to propagate. Four municipalities is considered to be a threshold - if an approach is replicated with reasonable success by four, others are likely to introduce it as well.

Baseline Data

Still being determined

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
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Comments

Definition should refer to USAID / Local Government Initiative, not only the Urban Institute. Does this include techniques proposed or developed after the baseline year?

IR 2.3.2A: LOCAL GOVERNMENT ABILITY IN FINANCIAL MANAGEMENT ENHANCED

Indicator 1) Financial Management Information System Operational (Proxy Indicator)

Definition

Number of target municipalities with an operational financial MIS.

Baseline Data

10 municipalities
1 municipality (see comments)

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
1	3	5	8	8

Comments

All cities have some form of an MIS system in their finance department; if the following criteria are met then only one qualifies.

Two criteria must be met - the financial data must be up-to date and financial statements must be produced accurately and regularly.

Additional criteria for the state of MIS in terms of accuracy and regularity: level of computerization (over 50 percent of work stations); automatization

of information flow and of the communications in the municipality (yes); daily updating of the financial data (yes); regularity of preparing information and analyses for the financial condition (time span - less than 3 months).

Indicator 2) Audits/Audit Recommendations

Baseline Data

129

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
tbd				

Comments

The financial audits performed in the 10 target municipalities that were studied were: 1) partial and topical and 2) complete. Their total number is 27 (an average of 2.7 per municipality), of which 19 partial and 8 complete. All audits finish with recommendations - a total of 129. The directors of financial departments have commented on the usefulness of the recommendations and noted that compliance with the recommendations results in actual improvement of performance.

There is a new National Audit Office and we are exploring with them a better indicator.

Indicator 3) Number of Target Municipalities with an Accurate System of Property Records

Definition

Number of the 10 target municipalities implementing an automated, up to date list of municipally-owned property.

Criteria: level of computerization (over 50 percent of work stations); automatization of information flow and of the communications in the municipality (yes); daily updating of the data (yes).

Baseline Data

1 municipality



Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
0	2	4	6	8

Comments

None

IR 2.3.2B: ESTABLISH SUSTAINABLE IN-COUNTRY TRAINING CAPABILITY***Indicator 1) Number of Training Modules Implemented by Bulgarian Institution(s)*****Definition**

Number training modules implemented by trained trainers at least once per annum

Number and concentration of trained employees (percent of the total number of employees in the 10 target municipalities).

Application of accomplishments achieved at the workshops determined through a questionnaire.

Baseline Data

4 modules

77 trained employees; 4.8 percent

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
0	4	6	10	10

IR 2.3.2C: IMPROVED CAPABILITY IN PUBLIC INFORMATION AND CITIZEN INVOLVEMENT***Indicator 1) Average Number of Public Hearings Held by Municipalities*****Definition**

Among ten target municipalities



Baseline Data

15

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
1 in 2 mun.	1 in 8	1.5	2	2

Indicator 2) Percent of Non-Target Municipalities Holding Public Hearings

Definition

Any municipality that holds at least one public hearing in a year will be counted.

Baseline Data

100 percent

Targets

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
0	0	3	5	10

Comments

Targets do not appear to be percentages.

This Indicator should probably follow Indicator 1's structure.



ANNEX A
DATA COLLECTION PLAN